(d) what could be the main areas of cooperation between the SAARC countries after the emergence of SAFTA?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) In terms of phased tariff liberalization programme under Rule 7 of the Agreement on South Asian Free Trade Area (SAFTA), in two years, Non-Least Developed Contracting States (NLDCs) will bring down tariffs to 20%, while Least Developed Contracting States (LDCs) wil bring them down to 30%. Non-LDCs will then bring down tariffs from 20% to 0-5% in 5 years (Sri Lanka 6 years), while LDCs will do so in 8 years. This tariff liberalization programme would not be applicable to the items kept in the Sensitive List by each Member State. All the Member States of SAFTA are scheduled to effect tariff liberalization with effect from 1st July, 2006, except Nepal which would effect it from 1st August 2006, subject to the condition that the tariff liberalization programme for the first two years would be completed by 31st December, 2007. After SAFTA becomes operational from 1st July 2006 the intra-regional SAARC trade is expected to grow significantly, but the same cannot be quantified at this stage.

(b) The SAARC Secretariat has intimated that the Government of Pakistan has ratified the SAFTA.

(c) After the tariff liberalization programme of SAFTA comes into force from 1st July, 2006, India's trade with SAARC countries is expected to grow substantially, but at this stage it cannot be quantified.

(d) Article 3 of the SAFTA Agreement sets out objectives and principles which, *inter alia,* provides for eliminating barriers to trade, cross- border movement of goods between the Contracting States, creating effective mechanism for implementation of the Agreement and establishing a frame work for further regional cooperation to expand and enhance the mutual benefits of this Agreement. Article 10 of the Agreement prescribes the institutional Arrangements for the administration and implementation of the Agreement.

Amendment in provisions of EPC6 Scheme

903. DR. M.A.M. RAMASWAMY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have amended to provisions of the Export Promotion Capital Goods (EPCG) Scheme;

(b) if so, the details thereof;

(c) the value of the cars imported during the last three years misusing the provisions of this scheme;

(d) the number of cars seized by Government in such cases; and

(e) the number of such vehicles released by Government after payment of necessary duties?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Yes, Sir. Notification No. 39 (RE-2005)/2004-09 dated 17.1.2006 has been issued recently by the DGFT amending the provisions for import of cars under EPCG Scheme. Henceforth, the 'duty saved' amount on all EPCG licences issued in a licensing year for import of motor cars, sports utility vehicles/ all purpose vehicles shall not exceed 50% of the average foreign exchange earnings from the hotel, travel & tourism and golf tourism sectors in the preceding three licensing years. Further, import of motor cars, sports utility vehicles/all purpose vehicles shall be allowed only to those hotels, travel agents, tour operators or tour transport operators and companies owning/operating golf resorts whose total foreign exchange earning from the hotel, travel & tourism and golf tourism sectors in the current and preceding three licensing years is at least Rs. 1.5 crores.

(c) The total value of vehicles involved in the alleged misuse of the EPCG Scheme is Rs. 30.16 crores.

(d) 93 vehicles were seized by the DRI (Directorate of Revenue Intelligence) so far.

(e) 37 vehicles.

SEZs in Punjab

904. SHRI VARINDER SINGH BAJWA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the ndmber of Special Economic Zones set up in Punjab recently;

(b) the location of each Zone;